From Nkrumah's "Suppressed" Speech on Lumumba, Pps. 2-3

Kennedy's Latin American Program Inadequate in Size, Machinery and Conception, Pages 1 and 4

I. F. Stone's Weekly

VOL. IX, NO. 10 MARCH 20, 1961 WASHINGTON, D. C. 15 CENTS

Speaking Loudly, But Carrying A Twig

Like Mr. Kennedy's other economic messages, his long awaited Latin American program turned out, when unwrapped from its tinsel, to be warmed-over Eisenhower. The strategy of keeping his actual legislative demands to a bare minimum is understandable in view of the Congress with which the new President has to deal. But the disparity between the rhetoric and program is beginning to give these performances a distinct flavor of the mock heroic. Mr. Kennedy strides out on the field of battle declaiming in high and urgent tones, but brandishing no more than a twig. Since he dare not wound and must instead cajole the Congressional dragon, it would be better if our St. George began to adapt his prose style to his humble necessities. At home these realities are so well understood that the wide gap between advance announcement and product is taken for granted as it is in any form of advertising copy. But in Latin America, which expected a new era with the new President, this program will be dangerously disillusioning, and there Mr. Kennedy has competition. He has to produce a product to compete with the hopes aroused by Castroism. And though few Americans will be aware of it—for Latin America is still the stepchild of our concerns—our neighbors will recognize at once that this *alianza para progreso* boils down to the same meagre fare cooked up hastily by Mr. Eisenhower's banker advisers at the Bogota conference.

A Revolutionary Measure of Our Own

To see this program as our neighbors will see it, one must take a good look at the agency which will administer the bulk of the new program. This is the Inter-American Development Bank. In 1959 after Castro had launched the most complete agrarian reform the land hungry masses of Latin America have ever known, we finally rushed steps to match him with a revolutionary step of our own—a bank. Ever since 1889, Latin America has been trying to sell us the idea of establishing an Inter-American Development Bank. It took the threat of Castroism to give this project the necessary push. In June, 1959, hearings were finally held and it went through Congress with the support of such radical organizations as the American Bankers Association and the U.S. Council of the International Chamber of Commerce. As a concession to our hungry friends to the south, a "Special Operations" till of $150,000,000 in soft currency loans was provided but the rest of the $1 billion in capital was to be loaned out on a sound banking basis for social purposes not attractive to private business investment and for technical assistance in planning other projects in which private investors *would* be interested. The underlying purpose was to create a better climate for private investment in Latin America.

Only $400,000,000 was actually to be paid in capital; the rest was to be raised on the private money market with $450,000,000 in callable capital providing the investor with a guarantee. By tying the Bank's operations so closely to the money market, Latin America was to be taught a lesson. As Dean Acheson told the House Banking and Currency Committee, in the tone of a schoolmarm discussing a recalcitrant pupil, "The foreign investor is not encouraged by the knout in the hand of the nationalist demagogue. Since the Bank's success in expanding the resources available for development loans will depend on its ability to sell its own securities to the investing public, Latin Americans—through the Bank—will have the clearest possible demonstration of the effect of their conduct upon their credit." By this ingenious device, the landless peon was to be taught to think like a National City Bank vice-president.

The purpose of the Bank, as the Hon. T. Graydon Upton, then Assistant Secretary of the Treasury, told the Senate Foreign Relations Committee was to assist Latin American countries "in mobilizing their own resources and in encouraging domestic and foreign private capital to undertake desirable investments." To make sure that this institution did not somehow turn *sans culotte*, Eisenhower's friend, Robert Cut-

(Continued on Page Four)

Latin Aid in Safe Hands

Senator MORSE: I want to say clearly that I very much favor the development of the private enterprise system. . . . Yet we have this very delicate matter . . . in some areas of Latin America a domestic policy for the development of natural resources, particularly oil—in some instances also power. . . . Where a government monopoly exists, whether it is PEMEX in Mexico or whether it is the government oil monopoly in Brazil, is there any reason . . . to fear that we would take the position of insisting that this Inter-American Bank follow the policy of our own Government . . . that as a matter of national policy, we have not favored direct American loans to the development of these government facilities? . . .

Mr. [T. Graydon] UPTON [vice-president of the foreign department of the Philadelphia National Bank 1950-58, then Assistant Secretary of the Treasury, now vice-president of the Inter-American Development Bank]: There is nothing in the charter of the Bank that would prohibit per se loans to any particular type of enterprise. However . . . we think that private capital has been and is available for petroleum operations where conditions are favorable. . . . Accordingly we would question whether loans for these kinds of operations would be appropriate. . . .

—Testimony June 23, 1959, before the Senate Foreign Relations Committee on the Inter-American Development Bank, which will now administer the bulk of Kennedy's new aid program for Latin America.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

In A UN Speech the U.S. Press Found Unfit to Print, Ghana's Nkrumah . . .

While President Nkrumah of Ghana was treated as a hero in Washington, his speech to the UN General Assembly March 7 was all but blacked out by the U.S. press, though—perhaps because—it threw much new light on the way the Lumumba regime in the Congo was overthrown and Lumumba murdered. Since no newspaper in the U.S. printed the text or an adequate summary, we provide for our readers on these two pages some of the significant passages from the speech.

The Force Publique—Nkrumah said the Force Publique, since renamed the Congolese National Army, has "a 70-year history of brutality" which goes back to its establishment by Leopold II. Nkrumah warned Hammarskjold as early as July 21, 1960, and Lumumba six days later that the United Nations "must bring this disorganized army under effective control." "It is impossible," Nkrumah told the General Assembly last week," for a country like the Congo to be ruled by a military organization steeped in a colonialist tradition of brutality and organized for the purpose of suppressing popular liberties in an inhuman fashion."

The UN and Mobutu—"Instead of disarming this force," Nkrumah went on, "the UN stood by passively while Parliament was prevented from meeting by Mobutu in command of a band of mutineers . . . Mobutu claimed to have deposed both President Kasa-Vubu and the government of Patrice Lumumba. . . . He had no possible claim to exercise any legal authority. Nevertheless, the UN authorities in Leopoldville collaborated with his so-called College of Commissioners."

How Mobutu Paid His Soldiers—The UN set up a Monetary Council. Mobutu's Finance Commissioner, Ndele, was given a seat on the Council. "Look what happens," Nkrumah told the General Assembly. "Mutinous soldiers in Leopoldville paralyze the legitimate government. What does the UN Command do? Its officials sit down with Ndele, a nominee of the mutineers. The Monetary Council, the key to the control of the Congo administration, is put in the hands of the rebels. Thus, the UN Command in the Congo gave Mobutu complete control over the finances of the States and put him in a position to hire mercenaries to harass and arrest the political leaders of the Congolese people. . . . The Command actually contributed 250 million frances . . . instead of suppressing the mutiny of the *Force Publique*, the UN actually paid for it."

The Congo and Katanga—Nkrumah said that when the Congo became independent, it inherited a public debt of roughly 350 million pounds sterling (about $1 billion). The servicing and redemption of this debt took one-fourth the annual budget. The greater part of this debt had been incurred in developing Katanga province so that it could be exploited profitably by *Union Minière* and other large enterprises. In return for this debt, the Congo government inherited "a portfolio of some 240 pounds sterling of assets which were mainly situated in Katanga and which included a large holding in *Union Minière*." If the new government was to discharge its obligations, it had to have control over Katanga "in which the assets were situated and which provided 60 percent of the national revenue." This was lost to it almost immediately by the secession of Katanga under Tshombe and his Belgian advisers.

How Belgians Fixed the Bank—The Central Government's only recourse was borrowing from the Central Bank. But

Behind the Mask of Ideological Conflict

"One of the most dangerous features of the Congo situation is that one section of the people has been influenced to oppose the other on ideological grounds which are by no means understood by those who are persuaded to act in accordance with them. This is by no means the first time that there has been an ideological conflict in Africa.

"For example, in the 1890's there were the most serious religious wars in Uganda between Protestants and Roman Catholics. By a curious coincidence it happened that the Protestant party favored the United Kingdom's taking over Uganda while the Roman Catholic party favored France. The press at that time in the United Kingdom and in France became inflamed with accounts of the religious persecution of the rival Christian factions. The French government concentrated on the injury to the Catholics while the United Kingdom newspapers were almost unanimous in their belief that the Protestants were the real sufferers. . . .

"The example of Uganda should be a lesson to us all that ideological disputes have often concealed more practical colonial aspirations. I suggest, therefore, that there should be an end to the intrigues in the Congo, and that all missions, including those of African States, should be withdrawn so that there is only one centre of outside influence—the United Nations."

—Nkrumah to the General Assembly, March 7

Nkrumah's Criticism of the UN in the Murder of Patrice Lumumba

"History recalls many occasions when rulers of States have been done to death. The assassination of Patrice Lumumba, however, is unique in that this is the first time in history that the ruler of a country has been killed in the very presence of United Nations forces which he himself had invited to his country to restore law and order. That such a thing could have happened must make all those of us who believe in the United Nations anxious about its future. . . . The United Nations cannot restore law and order in the Congo if it takes a neutral position between order and disorder. . . .

"Representatives will recall that, at one stage in the affairs of the Congo, the UN authorities on the spot considered that their mandate of non-interference in the internal affairs of the Congo nevertheless entitled them to prevent the Prime Minister of the Congo, Patrice Lumumba, from broadcasting at Leopoldville radio station. He was, in fact, forcibly prevented from doing so by the Ghanaian troops under UN command. . . .

"The Government of Ghana considered that the action of the United Nations was a most improper interference in the internal affairs of the Congo and an abuse of the powers granted to the UN forces by the Security Council.

"However that may be, one must ask this question. If it was proper for Ghanaian troops to stop Patrice Lumumba from broadcasting at Leopoldville, why was it not equally proper for Swedish troops at Elisabethville airport to intervene to save Lumumba's life? Why were the Ghanaian troops at Port Franqui forbidden to intervene to prevent the arrest of Lumumba by the Force Publique? How was it possible to argue that the UN had authority to prevent Lumumba from broadcasting, yet lacked authority to prevent him from being murdered?"

—President Nkrumah to the General Assembly, March 7

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

. . . Lifted the Curtain on How Lumumba Was Overthrown and Then Murdered

effective control of this had passed to the Belgian National Bank. "In the months before independence," Nkrumah said, "the Belgian government allowed an unprecedented flight of capital from the Congo to take place. In consequence, the Congo Central Bank found itself unable to meet its obligations. The Belgian National Bank thereupon agreed to guarantee the Central Congo Bank on two conditions. First, the Central Bank's total gold and currency reserves were to be removed from the Congo and lodged in Belgium. Secondly, the monetary policy of the Central Bank was to be agreed with the Belgian National Bank."

The Squeeze on Lumumba—When Lumumba took over, revenue (thanks largely to the secession of Katanga) was only one-tenth of what it had been while essential expenditures were still two-thirds of the original figure. The government asked for advances from the Central Bank but the Belgian National Bank refused to allow this. Lumumba was unable to pay his soldiers. But when Mobutu led a revolt of the army, the Monetary Council was set up, the Central Bank was allowed to raise the ceiling on its advances to the Congo government, now in the hands of Mobutu, and the UN advanced him 250 million francs. Now a new National Bank is being set up in the Congo. According to the London *Times* of Feb. 25, Ndele, Mobutu's financial commissioner, is to be the head of this bank. The same newspaper account as cited by Nkrumah says "experts from the International Monetary Fund who were present at the formation of the new Bank today are known to favor immediate budgetary aid for the Congo from the UN Congo fund." Nkrumah said this constituted "a golden handshake" for the group responsible for the death of Lumumba.

Africa Sacrified Again to the Quarrels of Outside Powers—"It has been said," Nkrumah told the General Assembly, "that history repeats itself, first as tragedy and then as farce. We must make certain that we do not repeat as a farce the tragedy which befell Africa as the result of the Berlin conference of 1885. This Conference was called to solve the problems of the Congo." Fourteen leading nations were represented including the U.S., Britain, Russia and France, who now make up four of the five permanent members of the Security Council. "The only interested parties not represented were the inhabitants of Africa whose welfare and progress," Nkrumah continued, "it was the ostensible object of the Conference to assist." The purpose was to "exclude colonial rivalry—the cold war of those days—by friendly agreement on how the Continent should be divided up." Nkrumah declared that the Berlin conference "ushered in for Africa an era of unparalleled colonial oppression." He called on the UN to make sure, by acting only in full consultation with the African States, that we do not "repeat in the Twentieth Century the errors and follies of the Nineteenth."

Dismemberment of the Congo—"In the same way as Africa was broken up into colonies by the great Powers in their own interests," Nkrumah warned, "so today the Congo is in danger of being fragmented into small states—the clients of one or the other of the great Powers. There is danger of this being done, either directly, as in the case of the separatist movement in Katanga, or indirectly by means of federation imposed through outside pressure which might dismember the Congo as effectively as if it had been formally partitioned into separate states." That is exactly the direction in which the Madagascar conference has moved since Nkrumah spoke.

The Common Market and the Congo

"It is rumored [according to the London Financial Times of Feb. 25] that the European Common Market countries [of which Belgium is a member] are about to extend substantial credits to the Congo, perhaps as much as 3,000,000 German marks. What has happened to the principle, so widely canvassed in theory, that all aid should be channeled through the United Nations? Some little time ago, Mr. Adlai Stevenson wrote an article in the London Sunday Times in which he pointed out the absolute madness of partitioning Africa economically on the pattern established in Europe. Why, indeed, should the Congo be attached economically to the Common Market? Only one valid reason for this exists: the maintenance of Belgium's financial interests. Yet all this is going on under the shadow of the UN, and apparently with the active participation of the UN's experts."

—Nkrumah to the General Assembly, March 7

On the Double Standard Applied by the UN in Its Control of the Congo Airports

"At one time the UN authorities interpreted their mandate as giving them power to close the airfields of the Congo so as to prevent the Lumumba government from moving troops to put down the rebellious forces in Katanga Province despite the fact that the Secretary General had given an explicit undertaking that the Central Government would not be hindered in any way in using its own resources to restore law and order.

"In contrast to this, the UN authorities on the spot apparently had no authority to seize the military aircraft delivered to Tshombe by a U.S. aircraft. These aircraft were apparently a part of a consignment of aircraft being provided to Belgium under the auspices of the NATO treaty. It is now known that they were manufactured in France and that the aircraft carrying them to Katanga stopped in Malta for some days for repairs. . . .

"I ask representatives to pause for a moment and to imagine what type of speeches would have been made in this Assembly if these aircraft had been manufactured in Czechoslovakia for Poland, under the terms of the Warsaw Pact, and then had been delivered to Stanleyville in Soviet aircraft which had stopped for repairs and refitting in Rumania on its way out.

"It is not in dispute that these aircraft were part of the Belgian order placed under the auspices of NATO. It is not disputed that they are normally fitted with 7.5 millimetre machine guns and racks for 55-pound air-to-ground rockets and two 110-pound bombs. Yet the delivery of these aircraft would apparently never have come to the attention of the UN if the affair had not been subject to press publicity. . . .

"It is very difficult for me to understand how it was that the mandate of the Security Council apparently was sufficient to authorize UN troops to close the airfields when the Government of Patrice Lumumba wished to use the airfields to move troops against Katanga, and yet the mandate was not sufficient to prevent the Katanga airfield being used for the open landing of Belgian military aircraft for the use of the Katanga forces?"

—President Nkrumah to the General Assembly, March 7

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Is This "A Vast Effort, Unparalleled in Magnitude and Nobility"?

(Continued from Page One)

ler, the Boston banker, out of Old Colony Trust, was made president. Mr. Upton, who had been vice president of the foreign department of the Philadelphia National Bank before going to the Treasury, was made vice-president. Under such circumspect direction, the Bank's first five months of operations have been marked by an exemplary freedom from hasty action. It has made only two loans—one hard money loan of $3,900,000 at 5¾ percent to Arequipa, Peru, for a water system and a $10,000,000 loan at 4½ percent out of its "Special Operations" till to hard-pressed Bolivia. These driblets and their interest rates will be compared elsewhere in the hemisphere with the $100,000,000 10-year credit for petroleum development machinery which the Russians gave Argentina at 2½ percent.

If Only They'll Be Patient

It is to this sedate institution that Mr. Eisenhower at Bogota last year proposed to assign the task of administering his new Latin American aid program, and thus to fight the inroads of Castroism in the hemisphere. And it is this unimaginative policy which Mr. Kennedy's message for all its drama is implementing. Of the $500,000,000 program, $394 million will be assigned to the Inter-American Development Bank "under a special trust agreement" to apply "on a loan basis with flexible terms, including low interest rates *or* repayment in local currency" (our italics) for a carefully specified list of activities, none competitive with private investment. In this list agrarian reform re-emerges sanitized as "land settlement and improved land use"—far from anything as crass as the expropriation of semi-feudal estates. The other purposes specified in the message to Congress are "housing, water supply and sanitation, and technical assistance related to the mobilizing of domestic financial resources." Mr. Kennedy said apologetically at one point in his message that of course "social progress is not a substitute for economic development." But this, he indicated in the message, is to be left to private enterprise. The idea of loans to enable these countries to develop their own resources is as conspicuous by its absence from the message as it is evident in the thinking of almost every Latin American regime. "U.S. business concerns," Mr. Kennedy said pointedly, "have also played a significant part in Latin American economic development. They can play an even greater role in the future." If the Latin American masses will only wait.

This program is triply inadequate—in financial size, in the character of the administering agency, and in the thinking which underlies it. "Our approach," Mr. Kennedy told his White House reception for Latin American diplomats the night before he sent this message to Congress, "must itself be bold . . . a vast effort, unparalleled in magnitude and nobility of purpose." A rhetoric so far out of proportion to the realities is the very kind we like to think of as typically Latin. Why talk as Mr. Kennedy did of "the endless exploration of new frontiers" when he holds back so plainly from the new frontiers of fresh social thinking and looks to a banking institution and a banker mentality to give Latin America a peaceful but revolutionary substitute for Castroism. I want to deal next week with the magnitude of the Castroite challenge and with the dimensions on which any program must be built which hopes to compete with it. Mr. Kennedy is a long way off from effective answer.

Sample of A Moderate Land Reform

". . . the Betancourt regime has undertaken ambitious programs. . . . Agriculture has received particular attention. Legislation enacted by the Venezuelan Congress largely exempts land now in efficient cultivation from expropriation and gives priority to settlement of government owned lands. . . . We saw penetration roads freshly cut through untapped areas, along which the government has constructed housing that is being made available to farmers on long-term credit. Some 17,000 families have already been resettled. The program is moving ahead on a rational basis, but it is under criticism for some who point out that the resettlement of the estimated 350,000 landless rural families at the present rate will require at least 15 years and $6.9 billion. Left-wing elements are demanding distribution of large estates in densely settled areas, regardless of whether or not they are efficiently operated, and free grants of land to peasants."

—Special Study Mission to Latin America, Report by Cong. Selden (Ala) and Fascell (Fla) March 9.

You Can Still Start A Gift Sub (If You So Specify) With Our First Hand Report from Cuba

I. F. Stone's Weekly, 5618 Nebraska Ave., N. W. Washington 15, D. C.

Please renew (or enter) my sub for the enclosed $5:*

Name .....

Street .....

City .....**Zone**.....**State**.....

3/20/61

Enter gift sub for $2 (6 mos.) or $4 (1 yr.) additional:

(To) Name .....

Street .....

City .....**Zone**.....**State**.....

Shall we send gift announcement? Yes ☐ No ☐

I. F. Stone's Weekly
5618 Nebraska Ave., N. W.
Washington 15, D. C.

NEWSPAPER

Second class postage paid at Washington, D. C.

I. F. Stone's Weekly. Entered as Second Class Matter at Washington, D. C., under the Act of March 3, 1879. Post-dated Mondays but published every Thursday except the last two Thursdays of August and December at 5618 Nebraska Ave., N. W., Washington, D. C. An independent weekly published and edited by I. F. Stone; Circulation Manager, Esther M. Stone. Subscription: $5 in the U. S.; $6 in Canada; $10 elsewhere. Air Mail rates: $15 to Europe; $20 to Israel, Asia and Africa.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED